

Message Text

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46

ACTION EB-11

INFO OCT-01 ARA-11 EUR-25 EA-11 ADP-00 AID-20 NSC-10

RSC-01 CIEP-02 TRSE-00 SS-15 STR-08 OMB-01 CEA-02 L-03

H-02 INT-08 CIAE-00 COME-00 FRB-02 INR-10 NSAE-00

XMB-07 OPIC-12 LAB-06 SIL-01 SAL-01 RSR-01 /171 W

----- 018798

R 091539 Z APR 73

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 0366

INFO AMEMBASSY BONN

AMEMBASSY PARIS

AMEMBASSY SANTIAGO

AMEMBASSY THE HAGUE

AMEMBASSY TOKYO

C O N F I D E N T I A L LONDON 04144

PASS TREASURY: OPIC

E. O. 11652: XGDS

TAGS: EIND; CI; UK

SUBJECT: CHILE DEBT RESCHEDULING

REF: LONDON 3678; STATE 61984

1. RON JONES, ASSISTANT SECRETARY, UKTREASURY, TELLS US THAT ON SPECIFIC QUESTION OF OPIC AND INVESTMENT INSURANCE PROGRAMS, " UK IS WITH YOU ENTIRELY". IT IS CLEAR PARIS CLUB RESCHEDULING WAS NOT REPEAT NOT MEANT TO COVER DEBT UNDER INVESTMENT INSURANCE COVERED SCHEMES.

2. UK IS NOT SURE THAT IT CAN AGREE COMPLETELY WITH BASIC US POSITION THAT PRIVATE DEBT COVERED BY POLITICAL RISK INSURANCE SHOULD IN ANY GIVEN CASE BE TREATED LIKE COMPARABLE OBLIGATIONS NOT COVERED BY INVESTMENT INSURANCE. THIS PRESUMABLY WOULD DEPEND ON CIRCUMSTANCES OF VARIOUS AGREEMENTS. ECGD IS JUST GETTING
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INTO THIS FORM OF ACTIVITY. IT DOESN'T WANT TO TIE ITS HANDS COMPLETELY AND PREFERS TO RESERVE ITS POSITION.

3. WE SUGGESTED UK SHOULD SUPPORT SPECIFIC US VIEWS ON CHILE AND OF OPIC INVESTMENT INSURANCE PROGRAMS, LEAVE LARGER QUESTION ON BASIC POSITIONS IN ABEYANCE UNTIL THERE IS AN ACTUAL DISAGREEMENT. JONES AGREED.

4. WE BRIEFED JONES ON SUBSTANCE OF STATE 61984. HE REGRETTED IMPASSE, ON PERSONAL BASIS FELT CHILEANS WERE FOOLISH NOT TO COME TO TERMS WITH US AND AT SAME TIME ESTABLISH MEANINGFUL DOMESTIC STABILIZATION PROGRAM. HE FELT ONLY OTHER ALTERNATIVES FOR CHILE ARE DEPENDENCE ON RISE IN WORLD COPPER PRICES OR INCREASED RELIANCE ON SOVIETS, NEITHER OF WHICH OFFER LONG-TERM VIABILITY.

5. WE GAVE JONES COPY OF TREASURY ASSISTANT SECRETARY HENNESSY'S MARCH 28 TESTIMONY ON CHILE TO SENATE FOREIGN RELATIONS COMMITTEE.

SOHM

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*** Current Handling Restrictions *** n/a

*** Current Classification *** CONFIDENTIAL

Message Attributes

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Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: boyleja
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: n/a
Enclosure: n/a
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Errors: n/a
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US Department of State
EO Systematic Review
30 JUN 2005

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Status: <DBA CORRECTED> gwr 971212
Subject: CHILE DEBT RESCHEDULING
TAGS: EIND, CI, UK, n/a
To: BONN
EB
PARIS
SANTIAGO
SECSTATE WASHDC
THE HAGUE
TOKYO

Type: TE

Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005